

Rental Fees

Based on federal regulations at 36 CFR 251.57, special use authorizations shall require the payment in advance of an annual rental fee as determined by the authorized officer.

The terms of a Granger-Thye permit must clearly state the total fee being charged even though all or part of it may be covered through maintenance or reconditioning performed or financed by the permittee. This fee which represents the full value of the use consists of a fee for land use (annual rental fee) plus a fee for the use of government-owned improvements.

An appropriate fee for the use of government-owned improvements is considered to be 6 percent of the value of the improvements. The value of the improvements can be expressed as a variety of values and further affected by the cost for deferred maintenance as well as the degree to which the holder has full use of the improvement. The garage, being reserved to the Forest Service would have no value to the holder. The crew quarters might have the value affected to some extent by the requirement to provide limited lodging to the Forest Service.

The land use fee is determined in accordance with FSH 2709.11, chapter 30 or as indicated for a particular use in FSM 2720. However, FSH 2709.11-31.1 states in some situations, appraisal, competitive bid, or negotiated fee may more accurately reflect fair market value than established fee schedules and should be used to establish fees.

The prospectus is an invitation for proposals to provide public services, meet the goals and objectives of the Sitka Ranger District, and increase revenue to the United States. Bids are solicited on the basis of services required by the public and the minimum fee that will be accepted. The invitations shall clearly indicate that an annual minimum occupancy fee is due that is not refundable, but will be credited against the total calculated annual fee.

When formulating the business plan applicants must include an estimated annual fee to the government in their expense estimates. To be acceptable to the government this estimated total annual fee to the government (the land use fee plus the fee for use of government-owned improvements) would need to be sufficient to ensure the holder performs maintenance and reconditioning of improvements. This amount, over the term of the permit would include deferred maintenance up to restoring of the facility to its original condition. *It is not intended that reconditioning improve a facility beyond its original state unless the improvement can be accomplished at a cost no greater than the cost of restoration to original condition.*

A more competitive bid would be one where the estimated annual fee to the government also included the cost of providing the required services of providing lodging and meals as well as access to restrooms and laundry facilities to Forest Service employees and volunteers, May through September. A proposal where providing the required services were a projected income item would not of itself be an unacceptable bid provided the plan met the selection criteria and pricing did not impair the Forest Service's ability to administer National Forest System lands.

A highly competitive bid would present an estimated total annual fee to the government sufficient to cover maintenance and reconditioning, required services, and fees beyond those expenses resulting in the highest return to the government. However, the Forest Service is not obligated to accept the proposal that offers the highest return to the government. A successful bid will address all of the selection criteria.

Appendix A - Fees

Due to the expenses of starting up and the variability of when a business might begin to become profitable and how profitable it may be, 36 CFR 251.57(g) *except where specified otherwise by terms of a special use authorization, rental fees may be initiated or adjusted whenever necessary: (1) as a result of fee review, reappraisal; or (2) upon a change in the holder's qualifications under paragraph (b) of this section; and (3) notice is given prior to initiating or adjusting rental fees.*

Finally, as set out in FSM 2344.03, *competitively readvertise the business opportunity upon expiration of the permit.* A new competitive bid will be solicited before the initial permit expires and the minimum fees can be reestablished through the new prospectus using appropriate policy guidance or appraisal.

Outfitter and Guide Fees

If a proposal provides the required services and meets all of the other operating requirements of this prospectus, the Forest Service will consider proposals for holder-provided outfitter or guide services.

If approved, outfitter or guide services would be authorized through a separate special use permit for outfitting and guiding. Flat fees for commercial outfitting and guiding uses in the Alaska Region are shown in section 37.21c, exhibit 01 of the R-10 supplement to FSH 2709.11, chapter 30 (attached). Fees for any commercial use of National Forest System lands for outfitting and guiding will be assessed and paid.